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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Final Winograd Report

Key stories in the media:

All media led with extensive reports and commentaries about the findings of the final Winograd Commission report on the Second Lebanon War. The media reported that the report has categorically

blamed the IDF for the failings in the war -- criticizing nearly every arm and unit. The commission found that the "IDF failed in its efforts to bring about the required and attainable military achievements." The report also said that final ground operation "did not achieve military goals," but that its approval was an essential step. The commission concluded: "Overall, we regard the Second Lebanon War as a serious missed opportunity. Israel initiated a long war, which ended without its clear military victory." Israel Radio quoted the IDF as saying that it will learn from the conclusions of the report. In what Yediot called a "message to the Arab countries," the report stated: "Israel will not be able to survive in this region without those here and around it believing that the IDF has the ability and the resilience to deter and defeat those who wish its elimination."

The commission stated its belief that PM Ehud Olmert had genuinely acted out of concern for the national interest during the controversial final 60 hours of the war. Ha'aretz reported that Olmert characterized the report as "lifting the moral stigma off me." In its lead story, Maariv reported that Olmert told former defense minister Amir Peretz: "We've come out of this." The media reported that Kadima feels that the commission has exonerated Olmert. Israel Radio reported that Defense Minister Ehud Barak is studying the report, and quoted senior Labor Party members as saying that the report is balanced and less serious than expected. Likud said that PM Olmert should resign. All media noted the dissatisfaction of the bereaved families over the report's conclusions.

Maariv and other media quoted Hizbullah's Al Manar-TV as saying after the publication of the Winograd report that the commission found that a small number of mujaheedin beat the strongest army in the Middle East. Maariv quoted Lebanese Hizbullah MP Ali Haider as

saying immediately later on the same station that Israel is an "honorable enemy."

The Jerusalem Post quoted defense officials as saying on Wednesday that Israel and Egypt are in advanced talks over possible deployment of additional Egyptian troops in the Sinai in an effort to seal the border with Gaza. Leading media reported that during a meeting with Egyptian President Hosni Mubarak in Cairo on Wednesday, PA President Mahmoud Abbas rejected Hamas's demands for control of the Gaza-Egypt border. The Jerusalem Post quoted Palestinian sources in Ramallah as saying that Egypt has threatened to close the border indefinitely unless the PA and Hamas reach an agreement on controlling the Rafah crossing. Ha'aretz quoted Fawzi Barhoum, Hamas spokesman in Gaza, as saying: "Abbas's remarks ... show he plans to foil any agreements or progress made when the Egyptians, Fatah, and Hamas met in Cairo." Media reported that Khaled Mashal, the Damascus-based political leader, was expected to arrive for talks with Egyptian officials last night, too. Ha'aretz reported that on Wednesday Hamas began trying to create a semblance of control at the Rafah crossing.

Ha'aretz and The Jerusalem Post reported that on Wednesday the High Court of Justice ruled that Israel's reduction of power and fuel to the Gaza Strip is legal as the remaining supplies still meet the humanitarian needs of the population. The newspaper reported that a three-justice panel, headed by Supreme Court President Dorit Beinisch, rejected the petitions submitted by the human rights organizations Gisha and Adalah. "The Gaza Strip is controlled by a murderous terror organization, which works tirelessly to harm Israel and its citizens, and breaks every possible rule of international justice in its violent actions against men, women and children," Justice Beinisch wrote.

Ha'aretz reported that the (Jewish) Yemin Yehuda non-profit association has begun building 200 housing units in the Shimon Hatzadik compound, in the heart of East Jerusalem's Sheikh Jarrah neighborhood. In the process, the organization plans to demolish the homes of dozens of Palestinian families who live there. This neighborhood is in a strategic location: If the group completes its plan, it will cut the Old City off from the Palestinian neighborhoods in northern Jerusalem.

Ha'aretz reported that an American court extended the sentence of Professor Sami Al Arian, who is considered the leader of Islamic Jihad in America, finding him in contempt of court.

Ha'aretz reported that on Wednesday Rony Zarom's Aspen Construction announced a memorandum of understanding to buy a shopping center in Michigan for \$10.3 million. The center occupies 9,000 square meters and generates revenue of \$1.2 million a year. It is Aspen's first deal in the States.

Ha'aretz reported that Israel Discount Bank of New York, a subsidiary of Discount Bank, is suing the life insurance provider to its workers, MetLife, for investing part of their pension funds in sub-prime-related instruments, in contravention of the bank's directives. The bank claims that its 570 workers were caused a \$2 million loss because the insurer ignored its order to get out of sub-prime-related assets into something more solid. The workers have a \$170 million pension portfolio with MetLife, one of the largest insurance companies in the world.

Maariv presented the results of a TNS/Teleseker poll conducted on Wednesday:

In view of all you heard about the Winograd Commission and its findings, do you believe that PM Olmert should resign?

Yes: 57% (73% after the interim report); No: 33% (17% after the interim report).

Who among Binyamin Netanyahu, Tzipi Livni, and Ehud Barak is the worthiest and most suitable to be prime minister?

Netanyahu: 37.4%; Livni: 20.9%; Barak: 19%.

In light of the publication of the final report, which of the following options do you favor?

The continuation of the term of the current government until the scheduled date: 42%; new elections now: 27%; the continuation of the term of the current government under another Kadima candidate, until an agreed-upon date for new elections: 14%; establishing a new government under Netanyahu without elections, until an agreed-upon date for new elections: 14%.

Final Winograd Report:

Summary:

The independent, left-leaning Ha'aretz editorialized: "The abstract of the final Winograd report points to a prime minister who lacks the ability to conduct a country at war."

Diplomatic correspondent Ben Caspit wrote on page one of the

popular, pluralist Maariv: "Olmert is returning from the battlefield and he will survive.... Israel, in contrast, will continue to 'flounder' as the [Winograd] report says, between wars and reports."

The conservative, independent Jerusalem Post editorialized: "Olmert has not learned: He has allowed the Hamas regime in Gaza to arm itself in almost identical fashion to the Hizbullah buildup that led to the last war, and will lead to the next one."

Eytan Haber, veteran op-ed writer and assistant to the late prime minister Yitzhak Rabin, wrote on page one of the mass-circulation, pluralist Yediot Aharonot: "Ehud Olmert would make the mistake of his life, were he to believe for a single moment that he will come out unscathed from the test of the commission's report."

Columnist and former Meretz Party Chairman Yossi Sarid wrote in Ha'aretz: "Olmert has to go, with the [final Winograd] report or without it.... In wars, it's not seats but human beings -- lives -- that are lost."

Popular columnist and anchor Yair Lapid wrote on page one of Yediot Aharonot: "[The Winograd Commission] tried to explain to us how to create a normal working environment in which it is permitted to level criticism without beheading people and to propose changes without wrecking the existing situation."

I. "Worse than the Partial Report"

The independent, left-leaning Ha'aretz editorialized (1/31): "The blood libel against Olmert was removed from the agenda, but on the other hand, the [Winograd] Commission declared him unfit to conduct a war. The Prime Minister has no reason to rejoice, certainly not to drink a toast, and it is doubtful whether he has a right even to breathe a small sigh of relief.... The war was a 'serious missed opportunity,' which ended without an Israeli victory even though Israel had everything it needed to win.... The IDF failed, says the commission, but the blame cannot necessarily be placed on the army, and the political echelon cannot be absolved of responsibility.... The commission asserts that Israel lost the war with Hizbullah. It lost due to flawed management rather than objective circumstances, since it embarked on the war out of choice, at a time that it determined. The abstract of the final Winograd report points to a prime minister who lacks the ability to conduct a country at war."

II. "Back from the Battlefield"

Diplomatic correspondent Ben Caspit wrote on page one of the popular, pluralist Maariv (1/31): "On Wednesday Ehud Olmert and Amir Peretz embraced as if they had just captured the Temple Mount. Another moment and they would jump together into the fountain at Rabin Square. It has been a long time since we've seen such a stupid victory dance here. On the other hand, it is possible to understand them. At least Peretz, who became, unfortunately for him, a symbol of the war. He is no symbol. He is just a product of his background who was dragged by his hair to the Defense Ministry, in a place not right for him, and who paid the price.... Wednesday's news from Winograd was good for Ehud Olmert, and bad for Israel. Olmert is returning from the battlefield and he will survive, apparently, this report in the short term. At least on this matter, he will go down in history as someone who did not win the war, but who did win in the commission. Israel, in contrast, will continue to 'flounder' as the report says, between wars and reports.... How will all this end? In the middle. Olmert will not fall. Not now anyway. Ever since the end of the war, he is the eternal death row inmate in Israeli politics. And now, as we gather in the city square, facing the guillotine, we learn that the defendant has fled. Olmert conducted this crisis with political genius, as he always does. On the other hand, his coalition is shaky. Shas has never stayed in a government that tried to make peace -- not alone. Olmert will have to continue to juggle, with the same phenomenal rate of success, if he wants to survive down the line."

III. "The Public's Turn"

The conservative, independent Jerusalem Post editorialized (1/31): "In what passes for good news, the [final Winograd] report endorses as 'almost inevitable' the fateful cabinet decision of August 9, 27 days into the war, to authorize Prime Minister Ehud Olmert and defense minister Amir Peretz to launch a major ground offensive at the moment of their choosing. We also have the commission's judgment that the debate between Peretz and Olmert over the timing of the operation was 'legitimate' and backed by 'evidence ... and serious support among members of the General Staff and others.' This is good news because the thought that the 33 soldiers who lost their lives in this offensive 'died for spin,' as some placards attest, is intolerable and, evidently, not true. At the same time, the final report, like its predecessor, is a devastating indictment of both the political and military echelons.... Olmert has not learned: He has allowed the Hamas regime in Gaza to arm itself in almost identical fashion to the Hizbullah buildup that led to the last war, and will lead to the next one."

IV. "Why We Fought"

Eytan Haber, veteran op-ed writer and assistant to the late prime minister Yitzhak Rabin, wrote on page one of the mass-circulation, pluralist Yediot Aharonot (1/31): "The main impression one got from the Winograd report was the sad, pathetic state of the IDF.... In the next few years, Israel will face much tougher challenges than Hizbullah in Lebanon: the Palestinians, Gaza, and first and foremost Iran and its nuclear program. What will be? Who will take us to

safe shores? On Wednesday the 'Winograds' made life easier for the Prime Minister and exonerated him -- mostly from the story of the '60 hours' [of the ground offensive]. But Ehud Olmert would make the mistake of his life, were he to believe for a single moment that he will come out unscathed from the test of the commission's report.... The commission would have done a commendable job, had the 'memoirs' it presented on Wednesday included an answer to the most important question: Why did Israel go to war? When does a nation, a state enter an all-out war? How is it decided upon? This was the missing chapter in the Winograd report. It is the topic that has to be reflected upon and discussed in upcoming days, both in the most private fora and publicly."

IV. "High-Stakes Roller"

Columnist and former Meretz Party Chairman Yossi Sarid wrote in Ha'aretz (1/31): "Olmert has to go, with the [final Winograd] report or without it.... If Olmert remains in office, the value of responsibility that is a foundation of education will no longer have any value.... He launched a war without knowing it was a war, and left the rear to its own devices without understanding that the rear was the front this time. He set unattainable targets for the war, rolled on with it without knowing where, and stubbornly tried to extract an imaginary last-minute victory photo from beneath the ruins. He appointed a commission of inquiry of his making and lopped off the branch on which it sat for a year and a half. No report on earth will change what happened, and what should not have been done will not be undone by an angler's tricks. Guilty or not guilty, he is responsible, and he shall bear the consequences. Prime ministers and party leaders in this country and elsewhere have resigned because they lost seats in elections. In wars, it's not seats but human beings -- lives -- that are lost."

VI. "Seriousness"

Popular columnist and anchor Yair Lapid wrote on page one of Yediot Aharonot (1/31): "Binyamin Netanyahu's spokesman issued a proclamation around 50 minutes after the publication of the [Winograd] report, screaming that the government must resign.... The responses from Olmert's bureau and the orchestrated leaks from the IDF were no less speedy.... Serious people do not deal with the question whether they will supply headlines for the prime-time news.... The commission may have offered Israelis the last opportunity for reexamining their country's most vital institutions. It tried to explain to us how to create a normal working environment in which it is permitted to level criticism without beheading people and to propose changes without wrecking the existing situation."

MORENO